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The Conference Board

Economics Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board **May 1990**

GROWTH, INERTIA AND RECESSION

Summary

Worldwide, economic activity in the major industrial countries continues to expand steadily—on average. The growth rate of the 11-country *performance* index has been a solid 4 percent for half a year now. But the 11-country *leading* index has leveled off, suggesting slower growth in the months ahead.

Regionally, the growth rate of the Pacific Region's leading index is still nicely positive (5 percent), while North America's is at -1 percent and Europe's is at zero. But if we look at the leading indexes for only the latest 3 months, each of the major regions is showing an essentially flat pattern—no growth, no recession.

Nationally, the business-cycle outlook shows greater variability than in a long time. Australia looks more and more recession-like. The UK leading index is pointing in that direction also, but not decisively. On the positive side, Germany, Korea and Taiwan show continued strong growth prospects. The leading indexes of the remaining half-dozen countries—the U.S., Japan, France, Italy, Canada and New Zealand—are pretty much directionless.

The biggest change that took place from last month's data was in Japan's leading index, where a dramatic drop in common stock prices was the primary factor that took the leading index growth rate down from 5 percent to zero, transforming a previously favorable outlook into a serious question mark.

Summary Of Growth Rates, Eleven Industrial Countries

	Ten-year Growth Rate	*Indexes of Economic Performance Growth Rates**			*Leading Business Cycle Indexes Growth Rates**				
	1976-86	*6 mos. ago*	*3 mos. ago*	*Latest month*	*6 mos. ago*	*3 mos. ago*	*Latest month*	*Current Reading on the Cycle*	*Latest Month Covered*
	annual rates, percent								
Eleven countries	3	5	4	4	3	2	1	Expansion continuing, leaders weak	Feb.
Ten countries excl. U.S.	3	6	6	5	5	3	2	Expansion continuing	Feb.
North America (2)	3	3	2	2	0	1	-1	Expansion continuing, leaders weak	Feb.
Europe (4)	2	5	6	6	1	1	0	Expansion continuing, leaders weak	Feb.
Pacific Region (5)	4	8	7	5	10	6	5	Expansion continuing	Feb.
United States	3	2	2	2	0	0	0	Expansion continuing, leaders weak	Mar.
Canada	3	3	2	1	1	0	1	Expansion continuing, leaders weak	Feb.
West Germany	2	4	5	6	4	4	5	Expansion continuing	Mar./Feb.
France	2	7	8	5	2	-3	-1	Expansion continuing, leaders weak	Feb./Mar.
United Kingdom	2	5	5	5	-1	-4	-3	Expansion continuing, leaders weak	Feb.
Italy	2	1	5	6	1	2	2	Expansion resuming	Jan./Dec.
Japan	4	7	7	5	9	7	0	Expansion continuing, leaders weak	Feb./Mar.
Australia	3	11	7	2	1	-4	-6	Expansion continuing, leaders weak	Feb./Mar.
Taiwan, R.O.C.	8	4	4	0	9	7	8	Expansion continuing	Mar.
Korea, R.O.K.	7	7	7	13	6	1	5	Expansion continuing	Mar.
New Zealand	2	2	0	-3	4	3	1	Upturn stalling, leaders weak	Nov./Feb.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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INDEXES, WORLDWIDE AND BY REGION, 1988-89

		11 Countries		10 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (5)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
July	88	126	133	128	132	124	134	118	121	142	151
Aug.	88	126	135	128	133	125	136	119	122	143	153
Sept.	88	127	134	129	133	125	135	119	121	144	152
Oct.	88	128	134	129	133	126	136	119	122	144	152
Nov.	88	128	135	130	134	126	136	120	122	146	153
Dec.	88	129	136	131	135	127	137	121	123	146	157
Jan.	89	130	138	132	137	127	138	121	124	148	160
Feb.	89	130	138	132	137	128	137	122	124	148	161
Mar.	89	131	138	134	137	128	137	122	124	152	160
Apr.	89	131	137	133	137	128	137	123	124	149	159
May	89	131	137	133	136	128	137	123	125	150	157
June	89	132	137	134	137	128	136	124	124	152	160
July	89	132	137	135	138	128	135	124	124	152	162
Aug.	89	133	139	136	139	129	137	125	124	154	165
Sept.	89	133	139	136	139	129	137	125	125	154	165
Oct.	89	133	139	137	139	129	137	126	124	154	165
Nov.	89	134	139	138	139	129	137	127	124	156	166
Dec.	89	134	139	138	140	129	137	127	124	156	167
Jan.	90	134	139	139	140	129	137	128	125	157	167
Feb.	90	135	138	139	140	130	136	128	124	157	167

11 Countries		10 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (5)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
6	5	6	7	5	1	6	5	7	10
6	6	6	7	4	5	6	5	7	11
5	5	6	6	4	3	6	4	7	8
5	5	6	5	5	3	5	5	7	7
5	5	6	5	4	4	6	5	7	7
6	6	6	7	4	5	6	5	7	10
6	7	6	8	4	5	6	6	8	13
6	6	6	8	4	3	6	5	7	13
6	5	8	6	4	2	6	5	11	10
5	4	6	5	4	2	5	4	6	7
4	3	5	3	3	1	5	4	6	3
5	2	6	4	3	0	5	3	7	6
4	2	6	4	2	-2	5	2	7	6
5	3	6	5	3	0	5	1	8	10
4	3	6	5	2	0	5	2	7	8
4	2	5	3	2	1	5	1	6	7
4	2	6	3	2	1	6	1	7	6
4	2	6	3	2	0	6	0	7	6
4	2	5	3	1	0	6	1	6	5
4	1	5	2	2	-1	6	0	5	5
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, ELEVEN COUNTRIES, 1988-90

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.O.K.		New Zealand	
		Indexes, 1980 = 100																					
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
July	88	124	134	130	124	114	120	126	128	119	119	113	116	140	150	133	128	179	209	202	210	111	112
Aug.	88	124	137	131	125	115	121	127	128	119	119	113	117	140	152	132	129	181	215	206	212	111	113
Sept.	88	124	136	131	125	115	120	128	128	120	119	112	117	141	151	135	129	183	217	206	209	112	113
Oct.	88	125	137	131	124	115	121	128	128	120	119	112	117	142	151	136	128	182	217	208	212	112	114
Nov.	88	125	137	132	124	116	121	129	129	121	120	113	117	143	152	136	129	185	219	209	215	112	115
Dec.	88	126	138	132	125	116	123	130	129	122	120	113	117	144	156	138	128	185	217	210	218	112	115
Jan.	89	126	139	133	125	118	124	131	130	122	121	112	117	145	160	140	130	187	219	213	218	113	115
Feb.	89	127	138	133	125	118	125	132	130	123	120	113	116	145	162	142	130	186	220	214	214	113	115
Mar.	89	127	138	133	125	118	126	133	131	123	120	112	116	149	160	142	131	188	225	214	218	113	116
Apr.	89	128	138	134	124	119	127	133	131	124	120	112	115	146	159	145	131	187	223	212	219	113	116
May	89	128	138	134	124	119	127	134	132	124	119	112	116	147	156	144	133	190	224	212	218	113	117
June	89	128	137	134	125	120	127	135	131	124	119	113	117	149	160	147	132	189	228	213	218	113	117
July	89	128	136	134	126	120	127	136	130	125	119	113	117	149	162	148	131	190	229	217	218	112	116
Aug.	89	128	138	135	126	121	126	136	130	126	119	114	118	151	165	148	132	191	231	220	224	112	118
Sept.	89	128	138	135	126	120	128	137	131	126	118	115	118	151	165	150	131	190	232	220	224	112	118
Oct.	89	128	138	135	126	121	128	138	130	127	117	116	118	152	166	149	130	192	232	221	220	111	119
Nov.	89	128	138	135	125	122	128	139	130	127	117	117	119	153	167	150	128	194	234	221	222	111	118
Dec.	89	129	138	135	127	122	130	139	128	128	116	119	118	154	168	150	128	193	234	224	221		118
Jan.	90	128	138	135	125	123	131	140	129	128	118	118		154	167	150	126	197	236	226	225		119
Feb.	90	129	137	135	126	124	131	139	128	128	117			154	167	148	127	193	247	232	227		118
Mar.	90	129	138			124			130						164		126	192	242	234	227		
		Growth Rates, Percent																					
July	88	5	1	5	1	3	5	8	9	7	3	7	1	7	10	8	7	6	13	6	12	-3	-3
Aug.	88	4	1	5	1	5	5	8	8	7	4	6	3	7	11	6	8	7	17	8	12	-3	-1
Sept.	88	4	3	5	1	4	4	8	7	7	3	4	2	7	8	9	7	8	16	7	7	-2	0
Oct.	88	5	3	4	0	3	5	7	7	7	3	3	3	6	7	10	4	6	14	7	9	-1	2
Nov.	88	4	4	4	0	4	4	8	6	7	4	3	3	7	7	9	5	9	14	6	10	0	4
Dec.	88	4	5	4	0	5	6	8	6	6	3	3	2	7	11	10	3	8	10	6	11	1	3
Jan.	89	4	5	4	1	6	7	8	7	6	4	1	2	7	14	11	5	9	10	8	9	2	3
Feb.	89	5	4	4	0	6	8	8	5	6	2	1	0	6	15	12	4	6	8	8	4	2	4
Mar.	89	4	2	3	0	6	8	8	5	6	1	0	0	11	10	10	5	7	11	7	7	2	4
Apr.	89	4	2	3	0	6	8	8	4	6	1	0	-2	6	7	13	3	5	8	5	6	2	5
May	89	3	2	3	0	5	7	8	5	5	0	0	-1	5	3	10	6	7	7	4	5	2	6
June	89	3	0	3	0	5	6	7	3	5	-1	1	1	7	6	13	4	5	9	4	4	2	5
July	89	2	-2	3	1	4	6	7	0	5	-1	1	1	7	7	12	1	5	8	6	2	0	3
Aug.	89	3	0	3	1	6	4	7	0	5	-1	2	3	7	11	11	3	5	9	8	7	0	4
Sept.	89	2	0	3	2	4	5	7	2	5	-2	4	2	6	9	11	1	4	9	7	6	-1	3
Oct.	89	2	1	2	1	4	4	7	0	5	-3	5	2	6	8	8	-1	5	7	7	2	-2	5
Nov.	89	2	1	2	0	5	4	8	-1	5	-4	6	3	7	8	7	-3	6	8	6	3	-3	3
Dec.	89	2	0	2	2	5	6	6	-2	5	-5	8	2	7	7	7	-4	4	7	7	1		2
Jan.	90	1	0	1	0	6	5	6	-3	4	-1	6		6	6	4	-4	7	7	9	5		3
Feb.	90	2	-2	1	1	5	5	5	-1	5	-3			5	5	2	-5	3	15	13	6		1
Mar.	90	2	0			6									0		-6	0	8	13	5		
		Ten Year Annual Growth Rate, Percent																					
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8	7	7	2	2